

1993 Assembly Bill 1052

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1993 Wisconsin Act 263 (Vetoed in Part)

AN ACT to renumber and amend 66.75 (1); to amend 19.32 (1), 19.42 (7w) (c), 19.82 (1), 20.566 (1) (title), 20.835 (4) (title), 24.61 (2) (a) (intro.) and 1 to 3, 32.02 (11), 32.05 (intro.), 32.05 (1) (a), 32.07 (2), 40.02 (28), 40.02 (36), 66.066 (1) (a), 66.30 (1) (a), 66.75 (2) and (3), ch. 77 (title), ch. 229 (title) and 229.26 (4); and to create 13.94 (4) (a) 6, 16.70 (14), 16.85 (13), 18.03 (5m), 19.42 (7w) (cm), 20.566 (1) (gg), 20.835 (4) (gg), 24.61 (2) (a) 5, 25.17 (3) (b) 8, 66.04 (2) (a) 3m, 66.75 (1e), 66.75 (1m) (b) and (c), 70.11 (37), 71.05 (1) (e), 71.26 (1) (bm), 71.26 (1) (h), 71.45 (1s), 77.25 (18), 77.54 (9a) (g), subch. VIII of ch. 77, subch. IX of ch. 77, 219.09, 227.03 (8), subch. I (title) of ch. 229, 229.26 (4m), 229.26 (10) and subch. II of ch. 229 of the statutes, relating to: authorizing cities, villages, towns and counties to create local exposition districts; giving local exposition districts the authority to issue bonds and granting tax exemptions for interest income on bonds issued by local exposition districts; giving taxing authority to, and providing tax exemptions for, local exposition districts; allowing certain local exposition districts to impose a room tax; coverage of local exposition districts under the public records access and open meetings laws; coverage of members of a local exposition district under the statutory code of ethics for public officials and employees; coverage of local exposition districts under the Wisconsin retirement system; creating an income and franchise tax exemption for local exposition districts; audits of local exposition districts; making an appropriation; and providing a penalty.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 13.94 (4) (a) 6 of the statutes is created to read:

13.94 (4) (a) 6. Any local exposition district under subch. II of ch. 229.

SECTION 2. 16.70 (14) of the statutes is created to read:

16.70 (14) "State" does not include a district created under subch. II of ch. 229.

SECTION 3. 16.85 (13) of the statutes is created to read:

16.85 (13) To assist, upon request, any local exposition district under subch. II of ch. 229 in the preparation of the statement required under s. 229.46 (5) (a) or the specifications required under s. 229.46 (5) (b).

SECTION 4. 18.03 (5m) of the statutes is created to read:

18.03 (5m) Upon the request of a local exposition district under subch. II of ch. 229, the commission shall serve as financial consultant to assist and coordinate the issuance of bonds of the district.

SECTION 5. 19.32 (1) of the statutes is amended to read:

19.32 (1) "Authority" means any of the following having custody of a record: a state or local office, elected official, agency, board, commission, committee, council, department or public body corporate and politic created by constitution, law, ordinance, rule or order; a governmental or quasi-governmental corporation except for the Bradley center sports and entertainment corporation ~~created under ch. 232; a local exposition district under subch. II of ch. 229;~~ any public purpose corporation, as defined in s. 181.79 (1); any court of law; the assembly or senate; a nonprofit corporation which receives more than 50% of its funds from a county or a municipality, as defined in s. 59.001 (3), and which provides services related to public health or safety to the county or municipality; a nonprofit corporation operating an ice rink which is owned by the state; or a formally constituted subunit of any of the foregoing.

SECTION 6. 19.42 (7w) (c) of the statutes is amended to read:

SECTION 9. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

		<u>1993-94</u>	<u>1994-95</u>
20.566	Revenue,		
	department of		
(1)	COLLECTION OF TAXES		
(gg)	Administration of local taxes	PR A -0-	-0-
20.835	Shared revenue and tax relief		
(4)	COUNTY AND LOCAL TAXES		
(gg)	Local taxes	PR A -0-	-0-

SECTION 10. 20.566 (1) (title) of the statutes is amended to read:

20.566 (1) (title) COLLECTION OF TAXES.

SECTION 11. 20.566 (1) (gg) of the statutes is created to read:

20.566 (1) (gg) *Administration of local taxes.* The amounts in the schedule for administering the taxes under s. 66.75 (1m) (a) and (b) and subchs. VIII and IX of ch. 77. Three percent of all moneys received from the taxes imposed under s. 66.75 (1m) (a) and (b) and subchs. VIII and IX of ch. 77 shall be credited to this appropriation.

SECTION 12. 20.835 (4) (title) of the statutes is amended to read:

20.835 (4) (title) COUNTY AND LOCAL TAXES.

19.42 (7w) (c) An appointive office or position of a local ~~government~~ governmental unit in which an individual serves for a specified term, except a position limited to the exercise of ministerial action or a position filled by an independent contractor.

SECTION 7. 19.42 (7w) (cm) of the statutes is created to read:

19.42 (7w) (cm) The position of member of the board of directors of a local exposition district under subch. II of ch. 229 not serving for a specified term.

SECTION 8. 19.82 (1) of the statutes is amended to read:

19.82 (1) "Governmental body" means a state or local agency, board, commission, committee, council, department or public body corporate and politic created by constitution, statute, ordinance, rule or order; a governmental or quasi-governmental corporation except for the Bradley center sports and entertainment corporation ~~created under ch. 232; a local exposition district under subch. II of ch. 229;~~ any public purpose corporation, as defined in s. 181.79 (1); a nonprofit corporation operating an ice rink which is owned by the state; or a formally constituted subunit of any of the foregoing, but excludes any such body or committee or subunit of such body which is formed for or meeting for the purpose of collective bargaining under subch. IV or V of ch. 111.

SECTION 13. 20.835 (4) (gg) of the statutes is created to read:

20.835 (4) (gg) *Local taxes.* The amounts in the schedule for distribution to the districts under subch. II of ch. 229 that impose taxes under s. 66.75 (1m) (a) and (b) and subchs. VIII and IX of ch. 77. Ninety-seven percent of all moneys received from the taxes imposed under s. 66.75 (1m) (a) and (b) and subchs. VIII and IX of ch. 77 shall be credited to this appropriation.

SECTION 14. 24.61 (2) (a) (intro.) and 1 to 3 of the statutes are amended to read:

24.61 (2) (a) *Authorized investments.* (intro.) The board may invest moneys belonging to the trust funds in the purchase of any of the following:

1. Bonds or notes of the United States;

2. Securities issued under the provisions of the federal farm loan act of July 17, 1916, (12 USC 641, et seq.) or the farm credit act of 1971 (P.L. 92-181);

3. Bonds of this state;

SECTION 15. 24.61 (2) (a) 5 of the statutes is created to read:

24.61 (2) (a) 5. Bonds issued by a local exposition district under subch. II of ch. 229.

SECTION 16. 25.17 (3) (b) 8 of the statutes is created to read:

25.17 (3) (b) 8. Bonds issued by a local exposition district under subch. II of ch. 229.

SECTION 17. 32.02 (11) of the statutes is amended to read:

32.02 (11) Any housing authority created under ss. 66.40 to 66.404, ~~any~~ redevelopment authority created under s. 66.431 ~~or~~ community development district created under s. 66.4325 or local exposition district created under subch. II of ch. 229.

SECTION 18. 32.05 (intro.) of the statutes is amended to read:

32.05 Condemnation for sewers and transportation facilities. (intro.) In this section, "mass transit facility" includes, without limitation because of enumeration, exclusive or preferential bus lanes if those lanes are limited to abandoned railroad rights-of-way or existing expressways constructed before May 17, 1978, highway control devices, bus passenger loading areas and terminal facilities, including shelters, and fringe and corridor parking facilities to serve bus and other public mass transportation passengers, together with the acquisition, construction, reconstruction and maintenance of lands and facilities for the development, improvement and use of public mass transportation systems for the transportation of passengers. This section does not apply to town highways created or altered under ch. 80 except as to jury trials on appeals under ss. 80.24 and 80.25, nor to proceedings in 1st class cities under subch. II. In any city, condemnation for housing under ss. 66.40 to 66.404, or for urban renewal under s. 66.431, may proceed under this section or under s. 32.06 at the option of the condemning authority. Condemnation by a local exposition district under subch. II of ch. 229 for any exposition center or exposition center facility may proceed under this section or under s. 32.06 at the option of the local exposition district. All other condemnation of property for public alleys, streets, highways, airports, mass transit facilities, or other transportation facilities, or storm sewers and sanitary sewers or watercourses shall proceed as follows:

SECTION 19. 32.05 (1) (a) of the statutes is amended to read:

32.05 (1) (a) Except as provided under par. (b), the county board of supervisors (or the county highway committee when so authorized by the board), city council, village board, sewerage commission gov-

erning metropolitan sewerage district created by ss. 66.22 or 66.88 to 66.918, secretary of transportation, a commission created by contract under s. 66.30, housing authority under ss. 66.40 to 66.404, local exposition district created under subch. II of ch. 229, redevelopment authority under s. 66.431 or community development authority under s. 66.4325 shall make an order providing for the laying out, relocation and improvement of the public highway, street, alley, storm and sanitary sewers, watercourses, mass transit facilities, airport, or other transportation facilities, housing project ~~or~~ redevelopment project, exposition center or exposition center facilities which shall be known as the relocation order. This order shall include a map or plat showing the old and new locations and the lands and interests required. A copy of the order shall, within 20 days after its issue, be filed with the county clerk of the county wherein the lands are located.

SECTION 20. 32.07 (2) of the statutes, as affected by 1993 Wisconsin Act (Senate Bill 81), is amended to read:

32.07 (2) The petitioner shall determine necessity if application is by the state or any commission, department, board or other branch of state government or by a city, village, town, county, school district, board, commission, public officer, commission created by contract under s. 66.30, redevelopment authority created under s. 66.431, local exposition district created under subch. II of ch. 229, housing authority created under ss. 66.40 to 66.404 or for the right-of-way of a railroad up to 100 feet in width, for a telegraph, telephone or other electric line, for the right-of-way for a gas pipeline, main or service or for easements for the construction of any elevated structure or subway for railroad purposes.

SECTION 21. 40.02 (28) of the statutes is amended to read:

40.02 (28) "Employer" means the state, including each state agency, and any county, city, village, town, school district, other governmental unit or instrumentality of 2 or more units of government now existing or hereafter created within the state, except as provided under ss. 40.51 (7) and 40.61 (3), or a local exposition district created under subch. II of ch. 229. Each employer shall be a separate legal jurisdiction for OASDHI purposes.

SECTION 22. 40.02 (36) of the statutes is amended to read:

40.02 (36) "Governing body" means the legislature or the head of each state agency with respect to employes of that agency for the state, the common council in cities, the village board in villages, the town board in towns, the county board in counties, the school board in school districts, or the board, commission or other governing body having the final authority for any other unit of government or for any agency or instrumentality of 2 or more units of government or

for a local exposition district created under subch. II of ch. 229.

SECTION 23. 66.04 (2) (a) 3m of the statutes is created to read:

66.04 (2) (a) 3m. Bonds issued by a local exposition district under subch. II of ch. 229.

SECTION 24. 66.066 (1) (a) of the statutes is amended to read:

66.066 (1) (a) "Municipality" means any city, village, town, county, commission created by contract under s. 66.30, public inland lake protection and rehabilitation district established under s. 33.23, 33.235 or 33.24, metropolitan sewerage district created under ss. 66.20 to 66.26 or 66.88 to 66.918, town sanitary district under subch. IX of ch. 60 or a municipal water district or power district under ch. 198 and any other public or quasi-public corporation, officer, board or other public body empowered to borrow money and issue obligations to repay the same out of revenues. "Municipality" does not include the state or a local exposition district created under subch. II of ch. 229.

SECTION 25. 66.30 (1) (a) of the statutes is amended to read:

66.30 (1) (a) In this section "municipality" means the state or any department or agency thereof, or any city, village, town, county, school district, public library system, public inland lake protection and rehabilitation district, sanitary district, farm drainage district, metropolitan sewerage district, sewer utility district, solid waste management system created under s. 59.07 (135), local exposition district created under subch. II of ch. 229, water utility district, mosquito control district, municipal electric company, county or city transit commission, commission created by contract under this section, taxation district or regional planning commission.

SECTION 26. 66.75 (1) of the statutes is renumbered 66.75 (1m) (a) and amended to read:

66.75 (1m) (a) The governing body of a ~~town, village or city~~ municipality may enact an ordinance, and a district, under par. (b), may adopt a resolution, imposing a tax on the privilege of furnishing, at retail, ~~except sales for resale,~~ rooms or lodging to transients by hotelkeepers, motel operators and other persons furnishing accommodations that are available to the public, irrespective of whether membership is required for use of the accommodations. ~~In this subsection "hotel", "motel" and "transient" have the meaning set forth in s. 77.52 (2) (a) 1.~~ Any tax so imposed shall under this paragraph is not be subject to the selective sales tax imposed by s. 77.52 (2) (a) 1 and may not be imposed on sales to the federal government and persons listed under s. 77.54 (9a).

SECTION 27. 66.75 (1e) of the statutes is created to read:

66.75 (1e) In this section:

(a) "District" has the meaning given in s. 229.41 (4m).

(b) "Hotel" has the meaning given in s. 77.52 (2) (a) 1.

(c) "Motel" has the meaning given in s. 77.52 (2) (a) 1.

(d) "Municipality" means any city, village or town.

(e) "Sponsoring municipality" means any city, village or town that creates a district either separately or in combination with another city, village, town or county.

(f) "Transient" has the meaning given in s. 77.52 (2) (a) 1.

SECTION 28. 66.75 (1m) (b) and (c) of the statutes are created to read:

66.75 (1m) (b) 1. Subject to subd. 2, a district may adopt a resolution imposing a room tax under par. (a) in an amount not to exceed 3% of total room charges. A majority of the authorized members of the district's board may vote that, if the balance in a special debt service reserve fund of the district is less than the requirement under s. 229.50 (5), the room tax imposed by the district under this subdivision is 3% of total room charges beginning on the next January 1, April 1, July 1 or October 1 after the payment and this tax is irrevocable if any bonds issued by the district and secured by the special debt service reserve fund are outstanding. A room tax imposed by a district under this subdivision applies within the district's jurisdiction, as specified in s. 229.43, and the proceeds of the tax may be used only for the district's debt service on its bond obligations. If a district stops imposing and collecting a room tax, the district's sponsoring municipality may impose and collect a room tax under par. (a) on the date on which the district stops imposing and collecting its room tax.

2. In addition to the room tax that a district may impose under subd. 1, if the district's only sponsoring municipality is a 1st class city, the district may adopt a resolution imposing an additional room tax. The additional percentage of room tax under this subdivision shall be equal to the percentage of room tax imposed by the sponsoring municipality on the date on which the sponsoring municipality agrees to stop imposing and collecting its room tax, as described under 229.44 (15). A district shall begin collecting the additional room tax imposed under this subdivision on the date on which the sponsoring municipality stops imposing and collecting its room tax. A room tax imposed by a district under this subdivision applies only within the borders of the sponsoring municipality and may be used for any lawful purpose of the district.

(c) 1. The department of revenue shall administer the tax that is imposed under par. (a) by a district and may take any action, conduct any proceeding and impose interest and penalties.

2. Sections 77.51 (14) (c), (f) and (j) and (14g), 77.52 (3), (4), (6) and (18), 77.58 (1) to (5) and (7), 77.59, 77.60, 77.61 (2), (5), (8), (9) and (12) to (14) and 77.62,

as they apply to the taxes under subch. III of ch. 77, apply to the tax described under subd. 1.

3. From the appropriation under s. 20.835 (4) (gg), the department of revenue shall distribute 97% of the taxes collected under this paragraph for each district to that district, no later than the end of the month following the end of the calendar quarter in which the amounts were collected. The taxes distributed shall be increased or decreased to reflect subsequent refunds, audit adjustments and all other adjustments. Interest paid on refunds of the tax under this paragraph shall be paid from the appropriation under s. 20.835 (4) (gg) at the rate under s. 77.60 (1) (a). Any district that receives a report along with a payment under this subdivision or subd. 2 is subject to the duties of confidentiality to which the department of revenue is subject under s. 77.61 (5).

4. Hotels and motels and the department of revenue may not collect taxes under this paragraph for any district after the calendar quarter during which all bonds issued by the district under subch. II of ch. 229 during the first 60 months after the effective date of this subdivision ... [revisor inserts date], and any bonds issued to fund or refund those bonds, are retired or for more than 2 years if bonds have not been issued during that time, except that the department may collect from hotels and motels taxes that accrued before that calendar quarter, or before the end of that 2-year period, and interest and penalties that relate to those taxes. If taxes are collected and no bonds are issued, the district may use the revenue for any lawful purpose.

5. Persons who are subject to the tax under this subsection, if that tax is administered by the department of revenue, shall register with the department. Any person who is required to register, including any person authorized to act on behalf of a person who is required to register, who fails to do so is guilty of a misdemeanor.

SECTION 29. 66.75 (2) and (3) of the statutes are amended to read:

66.75 (2) As a means of enforcing the collection of any room tax imposed by a municipality or a district under sub. (4) (1m), the town, village or city may exchange audit and other information with the department of revenue and may do any of the following:

(a) Whenever the town, village or city municipality or district has probable cause to believe that the correct amount of room tax has not been assessed or that the tax return is not correct, inspect and audit the financial records of any person subject to sub. (4) (1m) pertaining to the furnishing of accommodations to determine whether or not the correct amount of room tax is assessed and whether or not any room tax return is correct.

(b) Enact a schedule of forfeitures, not to exceed 5% of the tax under sub. (4) (1m) or par. (c), to be imposed on any person subject to sub. (4) (1m) who

fails to comply with a request to inspect and audit the person's financial records under par. (a).

(c) Determine the tax under sub. (4) (1m) according to its best judgment if any person required to make a return fails, neglects or refuses to do so for the amount, in the manner and form and within the time prescribed by the ~~town, village or city~~ municipality or district.

(d) Require each person who is subject to par. (c) to pay an amount of taxes ~~that the town, village or city~~ municipality or district determines to be due under par. (c) plus interest at the rate of ~~one percent~~ 1% per month on the unpaid balance. No refund or modification of the payment determined may be granted until the person files a correct room tax return and permits the ~~town, village or city~~ municipality or district to inspect and audit his or her financial records under par. (a).

(e) Enact a schedule of forfeitures, not to exceed 25% of the room tax due for the previous year under sub. (4) (1m) or par. (c) or \$5,000, whichever is less, to be imposed for failure to pay the tax under sub. (4) (1m).

(3) The ~~town, village or city~~ municipality shall provide by ordinance ~~and the district shall provide by resolution~~ for the confidentiality of information obtained under sub. (2) but shall provide exceptions for persons using the information in the discharge of duties imposed by law or of the duties of their office or by order of a court. The ~~town, city or village~~ municipality or district may provide for the publishing of statistics classified so as not to disclose the identity of particular returns. The ~~town, village or city~~ municipality or district shall provide that persons violating ordinances or resolutions enacted under this subsection may be required to forfeit not less than \$100 nor more than \$500.

SECTION 30. 70.11 (37) of the statutes is created to read:

70.11 (37) LOCAL EXPOSITION DISTRICT. The property of a local exposition district under subch. II of ch. 229.

SECTION 31. 71.05 (1) (e) of the statutes is created to read:

71.05 (1) (e) *Certain interest income.* Interest received on bonds issued by a local exposition district under subch. II of ch. 229.

SECTION 32. 71.26 (1) (bm) of the statutes is created to read:

71.26 (1) (bm) *Certain districts.* Income of a local exposition district created under subch. II of ch. 229.

SECTION 33. 71.26 (1) (h) of the statutes is created to read:

71.26 (1) (h) *Certain bond interest income.* Interest received on bonds issued by a local exposition district under subch. II of ch. 229.

SECTION 34. 71.45 (1s) of the statutes is created to read:

71.45 (1s) CERTAIN BOND INTEREST INCOME EXCLUDED. Interest received on bonds issued by a local exposition district under subch. II of ch. 229 is exempt from taxation under this subchapter.

SECTION 35. Chapter 77 (title) of the statutes is amended to read:

CHAPTER 77
TAXATION OF FOREST CROPLANDS; REAL
ESTATE TRANSFER FEES; SALES AND
USE TAXES; COUNTY SALES AND
USE TAXES; MANAGED FOREST
LAND; TEMPORARY RECYCLING
SURCHARGE; LOCAL FOOD AND BEVERAGE
TAX; LOCAL RENTAL CAR TAX

SECTION 36. 77.25 (18) of the statutes is created to read:

77.25 (18) To a local exposition district under subch. II of ch. 229.

SECTION 37. 77.54 (9a) (g) of the statutes is created to read:

77.54 (9a) (g) A local exposition district under subch. II of ch. 229.

SECTION 38. Subchapter VIII of chapter 77 of the statutes is created to read:

CHAPTER 77
SUBCHAPTER VIII
LOCAL FOOD AND BEVERAGE TAX

77.98 Imposition. A local exposition district under subch. II of ch. 229 may impose a tax on the retail sale, except sales for resale, within the district's jurisdiction under s. 229.43 of products that are subject to a tax under s. 77.54 (20) (c) 1 to 3 and not exempt from the sales tax under s. 77.54 (1), (4), (7) (a), (7m), (9), (9a) or (20) (c) 5.

77.981 Rate. The tax under s. 77.98 is imposed on the sale of taxable products at the rate of 0.25% of the gross receipts, except that the district, by a vote of a majority of the authorized members of its board of directors, may impose the tax at the rate of 0.5% of the gross receipts. A majority of the authorized members of the district's board may vote that, if the balance in a special debt service reserve fund of the district is less than the requirement under s. 229.50 (5), the tax rate under this subchapter is 0.5%. The 0.5% rate shall be effective on the next January 1, April 1, July 1 or October 1, and this tax is irrevocable if any bonds issued by the district and secured by the special debt service reserve fund are outstanding.

77.982 Administration. (1) The department of revenue shall administer the tax under this subchapter and may take any action, conduct any proceeding and impose interest and penalties.

(2) Sections 77.51 (4) (a), (b) 1, 2 and 4, (c) 1 to 3 and (d), (14) (a) to (f), (j) and (k) and (1tg), 77.52 (3), (6), (13), (14), (18) and (19), 77.58 (1) to (5) and (7), 77.59, 77.60, 77.61 (2), (5), (8), (9) and (12) to (14) and 77.62, as they apply to the taxes under subch. III, apply to the tax under this subchapter. Sections 77.72

(1) and 77.73, as they apply to the taxes under subch. V, apply to the tax under this subchapter.

(3) From the appropriation under s. 20.835 (4) (gg), the department of revenue shall distribute 97% of the taxes collected under this subchapter for each district to that district, no later than the end of the month following the end of the calendar quarter in which the amounts were collected. The taxes distributed shall be increased or decreased to reflect subsequent refunds, audit adjustments and all other adjustments. Interest paid on refunds of the tax under this subchapter shall be paid from the appropriation under s. 20.835 (4) (gg) at the rate under s. 77.60 (1) (a). Those taxes may be used only for the district's debt service on its bond obligations. Any district that receives a report along with a payment under this subsection is subject to the duties of confidentiality to which the department of revenue is subject under s. 77.61 (5).

(4) Persons who are subject to the tax under this subchapter shall register with the department of revenue. Any person who is required to register, including any person authorized to act on behalf of a corporation, partnership or other person who is required to register, who fails to do so is guilty of a misdemeanor.

77.983 Discontinuation. Retailers and the department of revenue may not collect taxes under this subchapter for any district after the calendar quarter during which all bonds issued by the district under subch. II of ch. 229 during the first 60 months after the effective date of this section [revisor inserts date], and any debt issued to fund or refund those bonds, are retired or for more than 2 years if bonds have not been issued during that time, except that the department may collect from retailers taxes that accrued before that calendar quarter, or before the end of that 2-year period, and interest and penalties that relate to those taxes. If taxes are collected and no bonds are issued, the district may use the revenue for any lawful purpose.

SECTION 39. Subchapter IX of chapter 77 of the statutes is created to read:

CHAPTER 77
SUBCHAPTER IX
LOCAL RENTAL CAR TAX

77.99 Imposition. A local exposition district under subch. II of ch. 229 may impose a tax at the rate of 3% of the gross receipts on the rental, but not for rental and not for rental as a service or repair replacement vehicle, within the district's jurisdiction under s. 229.43, of Type 1 automobiles, as defined in s. 340.01 (4) (a), by establishments primarily engaged in short-term rental of passenger cars without drivers, for a period of 30 days or less, unless the sale is exempt from the sales tax under s. 77.54 (1), (4), (7) (a), (7m), (9) or (9a). If the state makes a payment under s. 229.50 (7) to a district's special debt service reserve fund, a majority of the district's authorized board of directors may vote to increase the tax rate under this subchapter to 4%.

77.991 Administration. (1) The department of revenue shall administer the tax under this subchapter and may take any action, conduct any proceeding and impose interest and penalties.

(2) Sections 77.51 (4) (a), (b) 1, 2 and 4, (c) 1 to 3 and (d) and (14) (a) to (f), (j) and (k), 77.52 (4), (6), (13), (14) and (18), 77.58 (1) to (5) and (7), 77.59, 77.60, 77.61 (2), (5), (8), (9) and (12) to (14) and 77.62, as they apply to the taxes under subch. III, apply to the tax under this subchapter. Sections 77.72 (1) and (2) (a) and 77.73, as they apply to the taxes under subch. V, apply to the tax under this subchapter. The renter shall collect the tax under this subchapter from the person to whom the passenger car is rented.

(3) From the appropriation under s. 20.835 (4) (gg), the department of revenue shall distribute 97% of the taxes collected under this subchapter for each district to that district, no later than the end of the month following the end of the calendar quarter in which the amounts were collected. The taxes distributed shall be increased or decreased to reflect subsequent refunds, audit adjustments and all other adjustments. Interest paid on refunds of the tax under this subchapter shall be paid from the appropriation under s. 20.835 (4) (gg) at the rate under s. 77.60 (1) (a). Those taxes may be used only for the district's debt service on its bond obligations. Any district that receives a report along with a payment under this subsection is subject to the duties of confidentiality to which the department of revenue is subject under s. 77.61 (5).

(4) Persons who are subject to the tax under this subchapter shall register with the department of revenue. Any person who is required to register; including any person authorized to act on behalf of a corporation, partnership or other person who is required to register; who fails to do so is guilty of a misdemeanor.

77.992 Discontinuation. Retailers and the department of revenue may not collect taxes under this subchapter for any district after the calendar quarter during which all bonds issued by the district under subch. II of ch. 229 during the first 60 months after the effective date of this section [revisor inserts date], and any debt issued to fund or refund those bonds, are retired or for more than 2 years if bonds have not been issued during that time, except that the department may collect from retailers taxes that accrued before that calendar quarter, or before the end of that 2-year period, and interest and penalties that relate to those taxes. If taxes are collected and no bonds are issued, the district may use the revenue for any lawful purpose.

SECTION 40. 219.09 of the statutes is created to read:

219.09 Local exposition district bonds as legal investments and security. A bank, trust company, savings bank or institution, savings and loan association, credit union or investment company or a personal representative, guardian, trustee or other fiduciary may legally invest any moneys or funds belonging to or

within that person's control in bonds issued by a local exposition district under subch. II of ch. 229. This section shall not be construed as relieving any person of any duty of exercising any required level of care in selecting securities.

SECTION 41. 227.03 (8) of the statutes is created to read:

227.03 (8) This chapter does not apply to determinations made by the secretary of administration or the secretary of revenue under s. 229.50 (1).

SECTION 42. Chapter 229 (title) of the statutes is amended to read:

CHAPTER 229
PUBLIC INSTITUTIONS
~~IN POPULOUS CITIES~~

SECTION 43. Subchapter I (title) [precedes 229.11] of chapter 229 of the statutes is created to read:

CHAPTER 229
SUBCHAPTER I
POPULOUS CITIES

SECTION 44. 229.26 (4) of the statutes is amended to read:

229.26 (4) Title to all property real or personal of the convention institution shall be in the name of such city and shall, ~~except as provided in s. 229.47~~, be held by such city ~~perpetually~~ for such purposes, but the board shall determine the use to which such property shall be devoted as provided for in this section.

SECTION 45. 229.26 (4m) of the statutes is created to read:

229.26 (4m) A common council that creates a convention institution under this section may dissolve the convention institution and the convention institution's board and transfer all of the assets and liabilities owned or administered by the convention institution if the common council enters into a transfer agreement under s. 229.47 with a district that has jurisdiction over the territory in which the convention institution is located.

SECTION 46. 229.26 (10) of the statutes is created to read:

229.26 (10) If the employees who perform services for the board are included within one or more collective bargaining units under subch. IV of ch. 111 that do not include other employees of the sponsoring municipality, and a collective bargaining agreement exists between the sponsoring municipality and the representative of those employees in any such unit, and if the common council enters into a transfer agreement under s. 229.47, the board shall transfer its functions under that collective bargaining agreement to a local exposition district under subch. II in accordance with the transfer agreement. Upon the effective date of the transfer, the local exposition district shall carry out the functions of the employer under that agreement. Notwithstanding s. 111.70 (4) (d), during the term of any such collective bargaining agreement that is in effect at the time of the transfer, the existing col-

lective bargaining unit to which the agreement applies shall not be altered.

SECTION 47. Subchapter II of chapter 229 of the statutes is created to read:

CHAPTER 229
SUBCHAPTER II

LOCAL EXPOSITION DISTRICTS

229.41 Definitions. In this subchapter:

(2) "Board of directors" means the board of directors of a district.

(3) "Bond" means any bond, note or other obligation of a district issued under this subchapter.

(3m) "Bond resolution" means a resolution of the board of directors authorizing the issuance of, or providing terms and conditions related to, bonds and includes, where appropriate, any trust agreement, trust indenture, indenture of mortgage or deed of trust providing terms and conditions for bonds.

(4) "Chief executive officer" means, as to a sponsoring municipality, the mayor or city manager of a city, the village president of a village or the county executive of a county or, if the county does not have a county executive, the chairperson of the county board of supervisors.

(4m) "District" means a special purpose district created under this subchapter.

(5) "Enabling resolution" means a resolution, or an amendment of a resolution, adopted by the governing body of a sponsoring municipality and signed by the chief executive officer to create a district.

(6) "Exposition center" means one or more related structures, including fixtures and equipment, owned, operated or leased by a district and used primarily for conventions, expositions, trade shows, musical or dramatic events or other events involving educational, cultural or commercial activities, and not primarily for recreational or sporting activities.

(7) "Exposition center facilities" means land or structures, including fixtures and equipment, owned, operated or leased by a district that are used primarily to support the activities of an exposition center, and are functionally related to the exposition center, such as offices, parking lots and garages, storage or loading facilities, access ways, transportation facilities, restaurants and stores.

(8) "Exposition center site" means land owned, operated or leased by a district upon which an exposition center or exposition center facilities exist or may be constructed.

(9) "Private sector entity" means an entity that is not a public sector entity.

(10) "Public sector entity" means this state, a city, village, town or county or a quasi-governmental entity.

(11) "Sponsoring municipality" means any city, village, town or county that creates a district either separately or in combination with another city, village, town or county.

(12) "Transfer agreement" means the contract between a district and a sponsoring municipality that provides the terms and conditions upon which the ownership and operation of an exposition center and exposition center facilities are transferred from a sponsoring municipality to the district.

229.42 Creation and organization. (1) A sponsoring municipality may create a special purpose district that is a unit of government, that is a body corporate and politic, that is separate and distinct from, and independent of, the state and the sponsoring municipality, and that has the powers under s. 229.44, if the sponsoring municipality does all of the following:

(a) Adopts an enabling resolution, subject to sub. (2), that does all of the following:

1. Declares the need for establishing the district.
2. Contains findings of public purpose.
3. Names the district.

4. Contains a description of the exposition center to be developed, owned, leased or operated by the district.

5. If the sole sponsoring municipality is a 1st class city, states that the municipality agrees to stop imposing and collecting its room tax under s. 66.75 (1m) (a).

(b) Files copies of the enabling resolution with the secretary of administration, the secretary of revenue and the county executive, if the sponsoring municipality is not a county.

(2) A district may have more than one sponsoring municipality if each sponsoring municipality is identified in a substantially similar enabling resolution that is adopted by the governing body of each sponsoring municipality within a 90-day period commencing with the date of adoption of the first enabling resolution.

(3) The district shall be governed by its board of directors and, except for the 3rd member described under sub. (4) (d) who is either a chief executive officer of a municipality or a resident of the district, may not act until all of the persons appointed to its board are certified under s. 229.435. The board of directors shall adopt bylaws to govern the district's activities, subject to this subchapter.

(4) If the sole sponsoring municipality is a 1st class city, the board of directors shall consist of 15 members, who shall be qualified and appointed, subject to sub. (7) (b), as follows:

(a) Two members, who shall be residents of the sponsoring municipality and primarily employes or officers of a private sector entity, shall be appointed by the chief executive officer of the sponsoring municipality.

(b) Three members, each of whom shall be a resident of the sponsoring municipality and primarily an employe or officer of a public sector entity, shall be appointed by the president of the governing body of the sponsoring municipality and the president may appoint himself or herself.

(c) One member shall be the comptroller of the sponsoring municipality, except that if the sponsoring municipality does not have a comptroller one member shall be the chief financial officer of the sponsoring municipality.

(d) Three members, 2 of whom shall be primarily employes or officers of a private sector entity, shall be appointed by the county executive of the most populous county in which the sponsoring municipality is located and the 2 private sector entity members shall reside in the county but may not reside in the sponsoring municipality. The 3rd member shall be the chief executive officer of a municipality that contributes a minimum of five-fourteenths of its room tax to an entity which promotes tourism and conventions within the jurisdiction of the district, as that term is used in s. 229.43, except that if no municipality makes this minimum contribution the 3rd member shall be a resident of the district. The room tax contribution shall be at least \$150,000 each year. The chief executive officer appointed under this paragraph shall serve a term that expires 2 years after his or her appointment, or shall serve until the expiration of his or her term of elective office, whichever occurs first.

(e) Four members, one of whom shall be the secretary of administration, or the secretary's designee, and 3 of whom shall be primarily employes or officers of a private sector entity, who shall be appointed by the governor. Of the 3 members who are officers or employes of a private sector entity, at least one of the appointees shall own, operate or manage an enterprise that is located within the district's jurisdiction and that has significant involvement with the food and beverage industry and at least one of the appointees shall own, operate or manage an enterprise that is located within the district's jurisdiction and that has significant involvement with the lodging industry. At least 2 of the appointees under this paragraph shall reside in the district's jurisdiction but may not reside in the sponsoring municipality.

(f) Two members, each of whom shall be a cochairperson of the joint committee on finance, or his or her designee if the designee is a member of the joint committee on finance.

(5) (a) If a district has 2 or more sponsoring municipalities, one of which is a 1st class city, the board of directors shall consist of 8 members appointed by the chief executive officers of the sponsoring municipalities. The allocation of appointments by the chief executive officers and the expiration dates of the terms of office shall be specified in the enabling resolutions. The directors shall be subject to sub. (7) (a).

(b) If a district has 2 or more sponsoring municipalities, none of which is a 1st class city, the board of directors shall consist of 6 members appointed by the chief executive officer of each sponsoring municipality. The allocation of appointments by the chief executive officers and the expiration dates of the terms of

office shall be specified in the enabling resolutions. The directors shall be subject to sub. (7) (a).

(6) If the sole sponsoring municipality is not a 1st class city, the board of directors shall consist of 6 members, all of whom shall reside in the area of the district's jurisdiction and shall be appointed by the sponsoring municipality's chief executive officer, subject to sub. (7) (a). The expiration dates of the members' terms of office shall be specified in the enabling resolution. Three of the directors shall be elected or appointed public officials of the sponsoring municipality, one shall own, operate or manage an enterprise that is located within the district's jurisdiction and that has a significant involvement with the hotel, motel and lodging industry, one shall own, operate or manage an enterprise that is located within the district's jurisdiction and that has a significant involvement with the food and beverage industry and one shall be an at-large appointment who is an employe or officer of a private sector entity.

(7) (a) Appointments by the chief executive officer under subs. (5) and (6) shall be subject to confirmation by the governing body of the sponsoring municipality. The terms of office of the public sector members of the board of directors shall be 3 years and shall expire upon the earlier of a date specified in the enabling resolution or the expiration of their respective terms of public office. The terms of office of the members who are officers or employes of a private sector entity shall be 3 years, except that for the initial appointments for a newly created district one-third of the appointments of such members shall be for one year, one-third shall be for 2 years and one-third shall be for 3 years. If the number of members who are officers or employes of a private sector entity is not divisible by 3, for the initial appointments of such members for a newly created district, approximately one-third of the appointments shall be for one year, approximately one-third shall be for 2 years and approximately one-third shall be for 3 years. No members who are officers or employes of a private sector entity may serve more than 2 consecutive full terms. Members may be removed from the board of directors prior to the expiration of their terms only by the chief executive officer and only for malfeasance or nonfeasance in office.

(b) 1. Subject to subds. 2 and 3, the terms of office of the members of the board shall be 3 years, except that for the initial appointments for a newly created district, as specified in the enabling resolution, 4 of the appointments shall be for one year, 4 appointments, including the 3 members appointed under sub. (4) (d), shall be for 2 years and 4 appointments shall be for 3 years. The cochairpersons of the joint committee on finance or their designees shall serve on the board for a term that is concurrent with their terms in office and the comptroller's appointment shall be for the comptroller's tenure in his or her position. No member who is an officer or employe of a private sector entity may serve more than 2 consecutive full terms.

2. The term of a public sector member shall expire or terminate upon the earliest occurrence of one of the following:

- a. The term for which he or she was appointed expires.
- b. The member's term in public office expires.
- c. The member is removed by his or her appointing authority for malfeasance or nonfeasance in office.

3. The term of a member who is an officer or employe of a private sector entity shall expire or terminate upon the earliest occurrence of one of the following:

- a. The term for which he or she was appointed expires.
- b. A member that is subject to a residency requirement establishes a nonqualifying residence.
- c. A member that is appointed as a member from the food and beverage industry or the lodging industry no longer qualifies as an industry representative as described in sub. (4) (e).
- d. The member is removed by his or her appointing authority for malfeasance or nonfeasance in office.

(8) The board of directors shall elect from its membership a chairperson, a vice chairperson, a secretary and a treasurer. A majority of the current membership of the board of directors constitutes a quorum to do business. Except as provided in ss. 66.75 (1m) (b) and 77.981, the district may take action based on the affirmative vote of a majority of a quorum.

(9) The members of the board of directors shall be reimbursed for their actual and necessary expenses incurred in the performance of their duties.

229.43 Jurisdiction. A district's jurisdiction is the sponsoring municipality's geographical area, except that, if the sponsoring municipality is a 1st class city, the district's jurisdiction is that city and each city and village that is wholly or partly contained within the most populous county in which that city is located and except that no territory may be included within the jurisdiction of more than one district.

229.435 Certification of board members. Within 30 days after a sponsoring municipality files an enabling resolution under s. 229.42 (1) (b), each person who may appoint members to a board of directors under s. 229.42 (4), (5) or (6) shall certify to the department of administration the names of the persons appointed to the board of directors under s. 229.42 (5) or (6) or, if the sole sponsoring municipality is a 1st class city, the names of the persons appointed to the board of directors under s. 229.42 (4).

229.44 Powers of a district. A district has all of the powers necessary or convenient to carry out the purposes and provisions of this subchapter. In addition to all other powers granted by this subchapter, a district may do any of the following:

- (1) Adopt and alter an official seal.
- (2) Sue and be sued in its own name, plead and be impleaded.

(3) Maintain an office.

(4) Do any of the following in connection with an exposition center and exposition center facilities:

(a) Acquire, construct, equip, maintain, improve, operate and manage the exposition center and exposition center facilities, or engage other persons to do these things.

(b) Acquire, lease, use or transfer property. With the approval of all sponsoring municipalities of the district, the district may acquire property by condemnation using the procedure under s. 32.05 or 32.06.

(c) Improve real property.

(d) Enter into contracts. All contracts, the estimated costs of which exceed \$30,000, except contracts subject to s. 229.46 (5) and contracts for personal or professional services, shall be subject to bid and shall be awarded to the lowest qualified and competent bidder. The district may reject any bid that is submitted under this paragraph.

(e) Grant concessions.

(5) Employ personnel, and fix and regulate their compensation; and provide, either directly or subject to an agreement under s. 66.30 or 229.47 as a participant in a benefit plan of another governmental entity, any employe benefits, including an employe pension plan.

(6) Purchase insurance, establish and administer a plan of self-insurance or, subject to an agreement with another governmental entity under s. 66.30 or 229.47, participate in a governmental plan of insurance or self-insurance.

(7) Mortgage, pledge or otherwise encumber the district's property or funds.

(8) Issue bonds under ss. 229.48 to 229.56 and enter into agreements related to the issuance of bonds, including liquidity and credit facilities, remarketing agreements, insurance policies, guaranty agreements, letter of credit or reimbursement agreements, indexing agreements, interest exchange agreements and currency exchange agreements.

(9) Maintain funds and invest the funds in any investment that the board considers appropriate.

(10) Direct its agents or employes, if properly identified in writing, to enter upon real property within its jurisdiction to make surveys and examinations before locating or constructing an exposition center or exposition center facilities, without incurring liability by the district, its agents or employes except for actual damage done. Before directing anyone to enter real property under this subsection, the district shall give the owner and occupant of the property at least 5 days' written notice.

(11) Promote, advertise and publicize its exposition center, exposition center facilities and related activities.

(12) Set standards governing the use of, and the conduct within, its exposition center and exposition

center facilities in order to promote public safety and convenience and to maintain order.

(13) Establish rates or other charges for the use of its exposition center and exposition center facilities or for services rendered by the district.

(14) Enter into partnerships, joint ventures or other arrangements with other persons, including other districts created under this subchapter, to further the district's purposes.

(15) If the district's sponsoring municipality adopts a resolution described under s. 229.50 (1) (a), and if the district's sponsoring municipality agrees to stop imposing and collecting its room tax under s. 66.75 (1m) (a), adopt a resolution to impose the taxes under ss. 66.75 (1m), 77.98 and 77.99, except that, if a district adopts a resolution under this subsection, it shall deliver a certified copy of the resolution to the secretary of revenue at least 120 days before its effective date.

229.45 Powers granted to sponsoring municipality. In addition to any powers that it may otherwise have, a sponsoring municipality may do any of the following:

(1) Make grants or loans to a district upon terms that the sponsoring municipality considers appropriate.

(2) Expend public funds to subsidize a district.

(3) Borrow money under ss. 67.04 and 67.12 (12) for exposition center facilities or to fund grants, loans or subsidies to a district.

229.46 Certain contracting requirements. (1) In this section:

(a) "Minority business" has the meaning given in s. 66.905 (1) (a).

(b) "Minority group member" has the meaning given in s. 560.036 (1) (f).

(c) "Women's business" means a sole proprietorship, partnership, joint venture or corporation that is at least 51% owned, controlled and actively managed by women.

(2) A person who is awarded a contract by a district shall agree, as a condition to receiving the contract, that at least 25% of the employees hired because of the contract will be minority group members and at least 5% of the employees hired because of the contract will be women if any of the following applies:

(a) The contract is for the construction of any part of an exposition center.

(b) The contract results in the hiring of individuals who will work at the exposition center.

(3) At least 25% of the aggregate dollar value of contracts awarded by the district in the following areas shall be awarded to minority businesses and at least 5% of the aggregate dollar value of contracts awarded by the district in the following areas shall be awarded to women's businesses:

(a) Contracts for the construction of an exposition center.

(b) Contracts entered into by the district for the purchase of services to be performed at the exposition center.

(c) Contracts for the underwriting of bonds.

(3m) It shall be a goal of a district, with regard to each of the contracts described under sub. (3) (a), (b) and (c), to award at least 25% of the dollar value of such contracts to minority businesses.

(4) This section applies only to an exposition center that is being constructed under contracts that are funded by the proceeds of a bond issue that is secured by a special debt service reserve fund under s. 229.50.

(5) Before a district initially constructs an exposition center or exposition center facilities, or enters into contracts for such initial construction, the district shall do all of the following:

(a) Adopt or revise a program statement that includes all of the following:

1. An identification of the functions to be conducted in the exposition center or exposition center facilities.

2. An estimate of the space requirements for the functions described under subd. 1.

3. Minimum design requirements for the spaces described under subd. 2.

4. Site development requirements for the exposition center and exposition center facilities.

5. A maximum cost of the project.

(b) Prescribe criteria for the preparation of requests for proposals for the initial construction of the exposition center and exposition center facilities. The criteria shall include all of the following:

1. The scope of responsibilities of the person or group of persons submitting the proposal.

2. The contractual relationships between a group of persons submitting a proposal.

3. General architectural elements.

4. Electrical systems.

5. Mechanical systems.

6. Plumbing systems.

7. Structural elements.

(c) Solicit competitive sealed proposals for the design and initial construction of the exposition center and exposition center facilities. The panel described under sub. (6) shall evaluate the proposals using a 2-phase selection process. Under the first phase, offerors shall submit information responding to the district's request for proposals, including the experience and past performance of the offerors, a management plan, general concept design features and a price analysis. An offeror may be eliminated from further consideration by the panel without discussion if any minimum requirements of the request for proposal are not met. The panel shall evaluate all first-phase proposals and select not more than 3 offerors to submit 2nd-phase proposals. All 2nd-phase proposals shall include all of the following:

1. Responses to any comments or questions by the panel relating to first phase submissions.

2. Refined initial design concepts, management plan and materials relating to experience and past performance.

3. A development schedule.

4. A guaranteed maximum price for the design and initial construction of the exposition center and exposition center facilities.

5. Detail of any fees, including all professional service and development fees.

6. Evidence that is satisfactory to the panel of the offeror's ability to obtain bonds guaranteeing the offeror's performance and bonds guaranteeing the payment for labor and materials by the offeror in amounts specified by the panel.

7. Any other information and materials requested by the panel.

(d) Publish a class 2 notice under ch. 985 requesting the first-phase proposals described under par. (c). The advertisement shall include the date by which the proposals must be submitted, which shall be at least 7 days after the date of the last insertion of the notice.

(e) Forward to the panel described under sub. (6), for its recommendations, all first-phase and 2nd-phase proposals received under par. (c).

(6) (a) The district shall convene an evaluation panel to make recommendations concerning the competitive sealed proposals that the district solicits and receives under sub. (5). The panel shall consist of the following members:

1. A representative appointed by the chief executive officer of the city with the largest population within the district's jurisdiction, as that term is used in s. 229.43.

2. Two representatives appointed by the secretary of administration, one of whom shall be a registered engineer and one of whom shall be a registered architect.

Vetoed in Part 3. A representative appointed by the district who has experience in the construction of major ~~public~~ facilities.

4. The comptroller of the sponsoring municipality with the largest population within the district's jurisdiction, as that term is used in s. 229.43, except that if the sponsoring municipality does not have a comptroller the representative shall be the chief financial officer of the sponsoring municipality.

(b) The panel under par. (a) shall evaluate the proposals and make its recommendations based on the adequacy of the responses to the information solicited in the district's request for proposals, including the following factors:

1. The guaranteed maximum price.

2. The qualifications of the persons submitting the bids or proposals.

3. The time schedule contained in the proposals.

4. The design quality and suitability of the construction or remodeling plans contained in the proposals.

(7) The district may retain the department of administration or any other consultant to assist in the preparation of the program statement required under sub. (5) (a), the criteria required under sub. (5) (b) or the request for proposals required under sub. (5) (c).

229.47 Transfer agreements. A sponsoring municipality may enter into a transfer agreement with a district to provide the terms and conditions upon which the sponsoring municipality may transfer any interests in an existing exposition center and exposition center facilities created under this subchapter or an existing convention institution created under s. 229.26 to the district. The transfer agreement may include provisions for the division of revenues from taxes levied by the district under s. 66.75 (1m) and subchs. VIII and IX of ch. 77 to fund costs incurred by the sponsoring municipality during any transition period in which the sponsoring municipality has continuing responsibility for the operation or maintenance of any exposition center, exposition center facilities or convention institution facilities. A transfer may take the form of a sale, lease or other conveyance and may be with or without financial consideration. A transfer agreement shall require the district to accept an assignment of all contracts with other persons, with respect to a transferred exposition center, exposition center facilities or convention institution facilities, that are in force at the time of transfer. If the employees who perform services for a board created under s. 229.26 (2) are included within one or more collective bargaining units under subch. IV of ch. 111 that do not include other employees of the sponsoring municipality, and a collective bargaining agreement exists between the sponsoring municipality and the representative of those employees in any such unit, the transfer agreement shall require the district to assume the functions of the employer under that collective bargaining agreement as provided in s. 229.26 (10).

229.477 Dissolution of a district. Subject to providing for the payment of its bonds, including interest on the bonds, and the performance of its other contractual obligations, a district may be dissolved by the joint action of the district's board of directors and sponsoring municipality. If the district is dissolved, the property of the district shall be transferred to its sponsoring municipality. If the district was created by more than one sponsoring municipality, the municipalities shall agree on the apportioning of the district's property before the district may be dissolved.

229.48 Issuance of bonds. (1) A district may issue bonds for costs and purposes that are related to an exposition center or an exposition center facility, including all of the following:

(a) Costs of acquiring, constructing, equipping, maintaining or improving an exposition center or an exposition center facility.

(b) Costs of acquiring or improving an exposition center site.

(c) Engineering, architectural or consultant fees, costs of environmental or feasibility studies, permit and license fees and similar planning or preparatory costs, that are related to an exposition center or exposition center facility.

(d) Funding budgeted costs for an exposition center or exposition center facility for the 6-month period immediately following the completion of its construction or acquisition.

(e) Interest on bonds or on any debt that is retired with the proceeds of bonds, if the interest is incurred or is reasonably expected to be incurred during the time period beginning a reasonable time period prior to the construction or acquisition of an exposition center or exposition center facility and ending 6 months after the completion of the construction or acquisition.

(f) Expenses related to the authorization, issuance and sale of the bonds.

(g) Funding reserves authorized by the bond resolution.

(1m) For financing purposes, exposition centers and exposition center facilities are public utilities and tax revenues imposed under s. 66.75 (1m) (a) and (b) and subchs. VIII and IX of ch. 77 are property or income of the public utility.

(2) All bonds are negotiable for all purposes, notwithstanding their payment from a limited source. A district may retain the building commission or any other person as its financial consultant to assist with and coordinate the issuance of bonds and shall use the building commission as its financial consultant for bonds secured by a special debt service reserve fund under s. 229.50.

(3) The bonds of each issue shall be payable solely out of revenues of the district specified in the bond resolution under which the bonds are issued.

(4) A district may not issue bonds unless the issuance is first authorized by a bond resolution. Bonds shall bear the dates, mature at the times not exceeding 40 years from their dates of issue, be payable at the times, be in the denominations, be in the form, carry the registration and conversion privileges, be executed in the manner, be payable in lawful money of any sovereign government at the places, and be subject to the terms of redemption, that the bond resolution provides. Bonds shall bear interest at fixed, variable or no interest, as provided in the bond resolution. The bonds shall be executed by the manual or facsimile signatures of the officers of the district designated by the board of directors. The bonds may be sold at public or private sale at the price, in the manner and at the time determined by the board of directors. Pending preparation of definitive bonds, a district may issue interim receipts or certificates that shall be exchanged for the definitive bonds.

(5) A bond resolution may contain provisions, which shall be a part of the contract with the holders of the bonds that are authorized by the bond resolution, regarding any of the following:

(a) Pledging or assigning specified assets or revenues of the district.

(b) Setting aside reserves or sinking funds, and the regulation, investment and disposition of these funds.

(c) Limitations on the purpose to which or the investments in which the proceeds of the sale of any issue of bonds may be applied.

(d) Limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the terms upon which additional bonds may rank on a parity with, or be subordinate or superior to, other bonds.

(e) Funding, refunding, advance refunding or purchasing outstanding bonds.

(f) Procedures, if any, by which the terms of any contract with bondholders may be amended, the amount of bonds the holders of which must consent to the amendment and the manner in which this consent may be given.

(g) Defining the acts or omissions to act that constitute a default in the duties of the district issuing the bonds to the bondholders, and providing the rights and remedies of the bondholders in the event of a default.

(h) Other matters relating to the bonds that the board of directors considers desirable.

(6) Neither the members of the board of directors nor any person executing the bonds is liable personally on the bonds or subject to any personal liability or accountability by reason of the issuance of the bonds, unless the personal liability or accountability is the result of wilful misconduct.

229.49 Bond security. A district may secure bonds by a trust agreement, trust indenture, indenture of mortgage or deed of trust by and between the district and one or more corporate trustees. A bond resolution providing for the issuance of bonds so secured may mortgage, pledge, assign or grant security interests in some or all of the revenues and property of the district issuing the bonds and may contain those provisions for protecting and enforcing the rights and remedies of the bondholders that are reasonable and proper and not in violation of law. A bond resolution may contain other provisions determined by the board of directors to be reasonable and proper for the security of the bondholders.

229.50 SPECIAL DEBT SERVICE RESERVE FUNDS. (1) ESTABLISHMENT OF SPECIAL DEBT SERVICE RESERVE FUNDS. A district may establish one or more special funds to secure its bonds, referred to in this subchapter as special debt service reserve funds, if, prior to each issuance of bonds to be secured by the special debt service reserve fund, the secretary of administration determines that all of the following conditions are met with respect to the bonds:

(a) *Substantial statewide public purpose.* The proceeds of the bonds, other than refunding bonds, will be used in connection with an exposition center, or an exposition center facility used primarily to support the activities of an exposition center, that serves a substantial statewide public purpose. An exposition center serves a substantial statewide public purpose if all of the following conditions are met:

1. Each sponsoring municipality of the district adopts a resolution that certifies that the exposition center meets all of the following conditions:

a. The exposition center includes or will include an exhibition hall of at least 100,000 square feet.

b. The exposition center is reasonably projected to support at least 2,000 full-time equivalent jobs.

c. The exposition center is reasonably projected to stimulate at least \$6,500,000,000 in total spending in the state over the 30-year period beginning on the date on which the bonds are issued.

d. The exposition center is reasonably projected to attract at least 50,000 out-of-state visitors annually.

e. The exposition center is reasonably projected to generate at least \$150,000,000 of incremental state income, franchise and sales tax revenues over the 30-year period beginning on the date on which the bonds are issued.

2. Each sponsoring municipality sends a copy of the resolution adopted under subd. 1 to the secretary of administration and the secretary of revenue.

3. Neither the secretary of administration nor the secretary of revenue determines that a resolution provided under subd. 2 does not meet the conditions under subd. 1. If a secretary makes a determination under this subdivision, the secretary shall provide written notice of his or her determination and the reasons for his or her determination to each sponsoring municipality of the district within 30 days after receiving a copy of all resolutions under subd. 2. A determination under this subdivision is not subject to review under ch. 227, but sponsoring municipalities may resubmit resolutions under subd. 1 at any time after a secretary issues a determination under this subdivision.

(b) *Feasibility.* The proceeds of bonds, other than refunding bonds, will be used for feasible projects and there is a reasonable likelihood that the bonds will be repaid without the necessity of drawing on funds in the special debt service reserve fund that secures the bonds. The secretary of administration may not make the determinations required under this paragraph unless a majority of the authorized members of the district's board has voted that, if the balance in a special debt service reserve fund of the district is less than the requirement under sub. (5), the room tax imposed by the district under s. 66.75 (1m) (b) is 3% of total room charges and the food and beverages tax imposed by the district under s. 77.981 is 0.5% of gross receipts. In addition, the secretary of administration may make

the determinations required under this paragraph only after considering all of the following:

1. Whether a pledge of the gross tax revenues of the district is made under the bond resolution.

2. Whether the tax revenues of the district will be paid directly to the trustee of the bonds.

3. Revenue projections for the projects to be financed by the bonds and the reasonableness of the assumptions on which these revenue projections are based.

4. The proposed interest rates of the bonds and the resulting cash-flow requirements.

5. Whether the projected ratio of annual tax revenues to annual debt service of the district, taking into account capitalized interest, is 135% or greater.

6. Whether an understanding exists providing for repayment by the district to the state of all amounts appropriated to the special debt service reserve fund pursuant to sub. (7).

7. Whether the district has agreed to provide the department of administration with all financial reports of the district and all regular monthly statements of the trustee of the bonds on a direct and ongoing basis.

8. Whether the district has agreed that the department of administration will have direct and immediate access, at any time and without notice, to all records of the district.

(c) *Limit on bonds issued.* The amount of all bonds, other than refunding bonds, that would be secured by all special debt service reserve funds of the district will not exceed \$200,000,000.

(d) *Use of net proceeds.* Not more than \$170,000,000 of the total net proceeds of all bonds, other than refunding bonds, that would be secured by all special debt service reserve funds of the district will be used for the purposes specified under s. 229.48 (1) (a) to (c), except that no proceeds of the bonds secured by a special debt service reserve fund may be used to remodel or refurbish an existing exposition center or existing exposition center facilities transferred under a transfer agreement under s. 229.47.

(e) *Date of issuance.* The bonds, other than refunding bonds, will be issued no later than the first day of the 60th month beginning after the effective date of this paragraph [revisor inserts date].

(f) *Transfer agreement.* A sponsoring municipality of the district issuing the bonds has entered into a transfer agreement under s. 229.47 that transfers to the district the sponsoring municipality's interests in an existing exposition center and exposition center facilities created under this subchapter or in an existing convention institution under s. 229.26.

(g) *Refunding bonds.* All refunding bonds to be secured by the special debt service reserve fund meet all of the following conditions:

1. The refunding bonds are to be issued to fund, refund or advance refund bonds secured by a special debt service reserve fund.

2. The refunding of bonds by the refunding bonds was determined by the secretary of administration not to adversely affect the risk that the state will be called on to make a payment under sub. (7).

(2) PAYMENT OF FUNDS INTO A SPECIAL DEBT SERVICE RESERVE FUND. A district shall pay into each of these special debt service reserve funds any moneys appropriated and made available by the state for the purposes of the special debt service reserve fund, any proceeds of a sale of bonds to the extent provided in the bond resolution authorizing the issuance of the bonds and any other moneys that are made available to the district for the purpose of the special debt service reserve fund from any other source.

(3) USE OF MONEYS IN THE SPECIAL DEBT SERVICE RESERVE FUND. All moneys held in any special debt service reserve fund of a district, except as otherwise specifically provided, shall be used, as required, solely for the payment of the principal of bonds secured in whole or in part by the special debt service reserve fund, the making of sinking fund payments with respect to these bonds, the purchase or redemption of these bonds, the payment of interest on these bonds or the payment of any redemption premium required to be paid when these bonds are redeemed prior to maturity. If moneys in a special debt service reserve fund at any time are less than the special debt service reserve fund requirement under sub. (5) for the debt service reserve fund, the district may not use these moneys for any optional purchase or optional redemption of the bonds. Any income or interest earned by, or increment to, any special debt service reserve fund due to the investment of moneys in the special debt service reserve fund may be transferred by the district to other funds or accounts of the district to the extent that the transfer does not reduce the amount of the special debt service reserve fund below the special debt service reserve fund requirement under sub. (5) for the special debt service reserve fund.

(4) LIMITATION ON BONDS SECURED BY A SPECIAL DEBT SERVICE RESERVE FUND. A district shall accumulate in each special debt service reserve fund an amount equal to the special debt service reserve fund requirement under sub. (5) for the special debt service reserve fund. A district may not at any time issue bonds secured in whole or in part by a special debt service reserve fund if upon the issuance of these bonds the amount in the special debt service reserve fund will be less than the special debt service reserve fund requirement under sub. (5) for the special debt service reserve fund, unless the district, at the time that it issues the bonds, deposits in the special debt service reserve fund from the proceeds of the bond issuance, or from other sources, an amount that, together with the amount then in the special debt service reserve fund, will not be less than the special debt service

reserve fund requirement under sub. (5) for the special debt service reserve fund.

(5) SPECIAL DEBT SERVICE RESERVE FUND REQUIREMENT. The special debt service reserve fund requirement for a special debt service reserve fund, as of any particular date of computation, is equal to an amount of money, as provided in the bond resolution authorizing the bonds with respect to which the special debt service reserve fund is established, that may not exceed the maximum annual debt service on the bonds of the district for that fiscal year or any future fiscal year of the district secured in whole or in part by that special debt service reserve fund. In computing the annual debt service for any fiscal year, bonds deemed to have been paid in accordance with the defeasance provisions of the bond resolution authorizing the issuance of the bonds shall not be included in bonds outstanding on such date of computation. The annual debt service for any fiscal year is the amount of money equal to the aggregate of all of the following calculated on the assumption that the bonds will, after the date of computation, cease to be outstanding by reason, but only by reason, of the payment of bonds when due, and the payment when due, and application in accordance with the bond resolution authorizing those bonds, of all of the sinking fund payments payable at or after the date of computation:

(a) All interest payable during the fiscal year on all bonds that are secured in whole or in part by the special debt service reserve fund and that are outstanding on the date of computation.

(b) The principal amount of all of the bonds that are secured in whole or in part by the special debt service reserve fund, are outstanding on the date of computation and mature during the fiscal year.

(c) All amounts specified in bond resolutions of the district authorizing any of the bonds that are secured in whole or in part by the special debt service reserve fund to be payable during the fiscal year as a sinking fund payment with respect to any of the bonds that mature after the fiscal year.

(6) VALUATION OF SECURITIES. In computing the amount of a special debt service reserve fund for the purposes of this section, securities in which all or a portion of the special debt service reserve fund is invested shall be valued at their fair market value.

(7) STATE MORAL OBLIGATION PLEDGE. If at any time the special debt service reserve fund requirement under sub. (5) for a special debt service reserve fund exceeds the amount of moneys in the special debt service reserve fund, the board of directors of the district shall certify to the secretary of administration, the governor, the joint committee on finance and the governing body of the sponsoring municipality the amount necessary to restore the special debt service reserve fund to an amount equal to the special debt service reserve fund requirement under sub. (5) for the special debt service reserve fund. If this certification is received by the secretary of administration in an even-

numbered year prior to the completion of the budget compilation under s. 16.43, the secretary shall include the certified amount in the budget compilation. In any case, the joint committee on finance shall introduce in either house, in bill form, an appropriation of the amount so certified to the appropriate special debt service reserve fund of the district. Recognizing its moral obligation to do so, the legislature hereby expresses its expectation and aspiration that, if ever called upon to do so, it shall make this appropriation.

229.52 Bonds not public debt. (1) The state and a sponsoring municipality are not liable on bonds and the bonds are not a debt of the state or a sponsoring municipality. All bonds shall contain a statement to this effect on the face of the bond. A bond issue does not, directly or indirectly or contingently, obligate the state or a political subdivision of the state to levy any tax or make any appropriation for payment of the bonds.

(2) Nothing in this subchapter authorizes a district to create a debt of the state or a sponsoring municipality, and all bonds issued by a district are payable, and shall state that they are payable, solely from the funds pledged for their payment in accordance with the bond resolution authorizing their issuance or in any trust indenture or mortgage or deed of trust executed as security for the bonds. The state and a sponsoring municipality are not liable for the payment of the principal of or interest on a bond or for the performance of any pledge, mortgage, obligation or agreement that may be undertaken by a district. The breach of any pledge, mortgage, obligation or agreement undertaken by a district does not impose pecuniary liability upon the state or a sponsoring municipality or a charge upon its general credit or against its taxing power.

229.53 State pledge. The state pledges to and agrees with the bondholders, and persons that enter into contracts with a district under this subchapter, that the state will not limit or alter the rights and powers vested in a district by this subchapter, including the rights and powers under s. 229.44 (15), before the district has fully met and discharged the bonds, and any

interest due on the bonds, and has fully performed its contracts, unless adequate provision is made by law for the protection of the bondholders or those entering into contracts with a district.

229.55 Trust funds. All moneys received under this subchapter, whether as proceeds from the sale of bonds or from any other source, are trust funds to be held and applied solely as provided in this subchapter. Any officer with whom, or any bank or trust company with which, those moneys are deposited shall act as trustee of those moneys and shall hold and apply the moneys for the purposes of this subchapter, subject to this subchapter and the bond resolution authorizing issuance of the bonds.

229.56 Funding and refunding bonds. (1) A district may issue bonds to fund or refund any outstanding bond, including the payment of any redemption premium on the outstanding bond and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase or maturity.

(2) A district may apply the proceeds of the bonds issued to fund or refund any outstanding bond to the purchase or retirement at maturity or redemption of the outstanding bond either on its earliest or any subsequent redemption date or upon the purchase or at the maturity of the bond. A district may, pending application, place the proceeds in escrow to be applied to the purchase or retirement at maturity or redemption on any date the board of directors determines.

229.57 Budgets; rates and charges; audit. A district shall adopt a calendar year as its fiscal year for accounting purposes. The board of directors shall annually prepare a budget for the district. Rates and other charges received by the district shall be used for the general expenses and capital expenditures of the district and to pay interest, amortization, and retirement charges on bonds. The district shall maintain an accounting system in accordance with generally accepted accounting principles and shall have its financial statements and debt covenants audited annually by an independent certified public accountant.